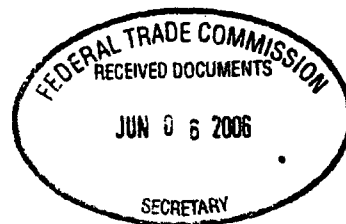




AMERICA'S PREMIER WEIGHT LOSS AND NUTRITION COMPANY

June 1, 2006,



Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)
Re: Business Opportunity Rule, R511993
600 Pennsylvania Avenue, NW
Washington, DC 20580
RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

My purpose for writing this letter is to express concern about the proposed "NEW BUSINESS OPPORTUNITY" Rule R511993.

My specific concern is how, by its nature, it will prove injurious to the direct selling industry at large—and our company in particular.

Here at FirstFitness, we understand the very important work you do to protect the public from suffering at the hands of those who would seek to be unfair and deceptive. However, sections of the rule, as it is proposed, will make it unviable for our company, FirstFitness, to continue as a business.

FirstFitness was founded in 1989 as a company who wanted to bring health-related solutions to the people here in the United States. Through the last 17 years, by the hard work of our thousands of Independent Distributors, we have helped countless other thousands of our customers experience a lifestyle change that is the true embodiment of the best that direct selling has to offer.

As I am sure you realize, every industry has its operational realities. One of ours is how our Distributors may drive long distances, usually after a hard day at work, to render service and help people get our products and participate in our opportunity for a better life.

While there may be high-pressure people out there who you are seeking to stop, I can assure you that the overwhelming majority of people who are affiliated with our company and other direct-selling companies are sincere, hard-working Americans who would find it physically and psychologically intolerable to operate under the unnecessarily restrictive environment that is being envisioned by this propose rule.

What if Sears and Wal-Mart and car dealers were burdened by a similar restriction? American business would grind to a deadening halt if everybody had to wait 7 days to make choices. That is not the way life is lived. Our Distributor Kit only costs less than \$50. How could it be sensible to put such an onerous restriction on a well-intentioned company like ours when truly deceptive operators are running loose with no supervision whatsoever.

It is unfair innuendo to cast on sincere average people. Where is the justified alarm? Why would thousands of people with great records of bending over backwards to do things right be unjustly and harshly penalized to the point of extinction.

First of all, we have a stringently-enforced buy-back policy. We keep detailed records and our track record is blemish-free.

Under the proposed rule, FirstFitness' plan would fall under FTC regulatory authority, since the existing \$500 threshold under existing franchise rule will be eliminated and FirstFitness will now have to produce numerous pieces of documented materials in order to comply with the proposed rule. The administrative costs of implementing a program like this would be intolerable.

The proposed rule also calls for the release of *any* information regarding prior litigation and civil or criminal legal actions involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. We at FirstFitness see little value in disclosing these lawsuits unless we would have been found guilty.

Otherwise, FirstFitness is put at an unfair advantage even though we have not done **anything** wrong.

In addition, it seems that everyone throws claims for misrepresentation into every complaint these days. It seems appropriate to include only litigation that is related to the earning opportunity offered to the prospective distributor.

The proposed rule requires direct sellers to gather information about earnings claims. We are concerned that this approach will be ineffective in preventing opportunity fraud, since those perpetuating fraudulent business opportunities will not provide accurate data. However, direct sellers such as FirstFitness, which will try to faithfully comply, will have the difficult if not impossible challenge of interpreting and meeting some of the proposed requirements. Busy work that is not justified.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. FirstFitness is glad to provide references, but in these days of identity theft, we are very uncomfortable giving out the personal information of individuals (without their approval) to strangers. This is incredibly intolerable and will have people marching in the streets to prevent.

Ironically, the requirement to provide references may result in privacy lawsuits, which under the proposed rule, we would have to report. Also, giving out this information without any controls on how it could be used will very likely and unfairly benefit our competitors. In order to generate the list of the 10 prior purchasers, we will need to obtain the address of the prospective purchaser, search our database for the geographically nearest existing sales people, use a software program or online service such as Mapquest to confirm these are the correct sales people and then send these results to the Distributor.

The following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson. Why would they find it worthwhile? "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft and so are we from

a privacy litigation standpoint. Individuals are naturally reluctant to share their personal information with individuals they may have never met.

FirstFitness appreciates the work of the FTC to protect consumers, but we believe this proposed new rule has many unintended, injurious consequences, which may very well be instrumental in destroying our business. We also believe that there are many far more acceptable alternatives available in achieving the consumer protection goals stated in the proposed rule.

Thank you sincerely for your time in considering our concerns.

Sincerely,

Nigel Branson
President and CEO
FirstFitness

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